

OPENING STATEMENT OF CONGRESSMAN PAUL E. KANJORSKI

COMMITTEE ON FINANCIAL SERVICES

**HEARING ON THE FUTURE OF FINANCIAL SERVICES:
EXPLORING SOLUTIONS FOR THE MARKET CRISIS**

SEPTEMBER 24, 2008

Good afternoon. Mr. Chairman, in this hearing room, in the halls of Congress, and all across Washington, the \$700 billion Treasury proposal is the subject of much debate. But, the American taxpayers remain in the dark. The Administration has only told them in general terms that our economy has reached a tipping point, and that the executive branch needs unprecedented powers and a blank check to fix the situation.

In my view, the current dire circumstances require that Americans receive more information, rather than less. The President must also deliver a national address to explain why the largest government intervention since the Great Depression is needed. If our markets and capitalism itself are truly on the line, then the President must speak openly, frankly, and publicly about these problems.

Once the Administration establishes the predicate for emergency action, only then should the Congress consider passing this package of truly massive proportions. And, if we do decide that the Treasury's plan is the proper course, we must revise it to protect taxpayers. Their interests must trump those of corporate fat cats and cowboy capitalists.

As we proceed on these matters, we must also put partisanship aside. Bipartisanship is a two-way street. The American people want cooperation and leadership by government in tough times. As my fellow Pennsylvanian, Ben Franklin, said at the founding of our nation, we must all hang together or we shall surely all hang separately.

Unfortunately, the initial Treasury plan would have the taxpayers picking up the tab for a Wall Street party to which they were not even invited. It would also have taxpayers playing the role of venture capitalists without a share of profits in the long run. Americans are tired of enabling corporate excess. Therefore, once the Administration makes its case and the Congress decides to act, the legislation we write must meet many conditions.

We must protect taxpayers and limit the Treasury's powers. We must prevent those who contributed the most to this crisis from further profiting. We must establish strong oversight with a permanent in-house watchdog and a robust external congressional monitor. We must also control the program's costs and seek ways to pay for this intervention, including surcharges on millionaires' incomes and fees on securities transactions. Finally, we must help families with troubled loans to remain in their homes.

Moreover, everyone in these debates must commit to significant regulatory reform of the financial system in the next Congress. The era of deregulation is over. As many of us on this side of the aisle have long believed, only regulation can save capitalism from its own excess.

In sum, the economy is a man-made construct: Man made it, and man can fix it. I am committed to doing just that.
